

the canal is mortgaged, can ever be paid. This state of things is extremely unfavorable to the proper management of the canal. The Company cannot be expected to pay the requisite attention to its affairs, when there is no prospect of profit from it.

My examination of the books of the Company, satisfied me that their affairs had been honestly, though injudiciously managed. In first attempting, in 1797, to construct the work with insufficient funds, the canal was projected on a scale too small to be of much benefit. In 1819, when the Company went into operation, under a new charter, to cut a canal of enlarged dimensions, the work was again commenced with inadequate funds; and the loan obtained from the State, was too small to supply the deficiency. These successive attempts to complete it, with inadequate means, has occasioned the expenditure of a sum which at first might have sufficed to have effected the work.

The regular diminution of tolls in each successive year, may be caused, in part, by the gradually increasing obstruction to the navigation; but if the canal was completed, and kept in good repair, it is doubtful whether the trade would be sufficient to reimburse the loan of the State, or even to reimburse the sum that would be now required to effect these purposes.

If so, in a commercial point of view it would be inexpedient to make any further expenditures on it. But, as in time of war, the canal would afford important facilities to our merchants and privateers, State policy might justify the expenditure necessary to complete and preserve it, unless it should be determined to open a ship channel between the waters of Neuse and Beaufort harbor; in which event, it would become nearly useless.

Gross amount of Tolls, accruing from 5th July, 1827,

to 3d December, 1827, - - - - -	\$361 83
Do. from 3d Dec. 1827, till the 31st Dec. 1828, - - -	640 23
Do. — 2d Jan. 1829, ——— 31st Dec. 1829, - - -	398 50
Do. — 2d Jan. 1830, ——— 31st Dec. 1830, - - -	393 20
Do. — 2d Jan. 1831, ——— 31st Dec. 1831, - - -	327 08
Do. — 2d Jan. 1832, ——— 31st Dec. 1832, - - -	306 72
Do. — 2d Jan. 1833, ——— 31st Dec. 1833, - - -	294 49

Whole amount of Tolls from opening canal to the end
of the year 1833, . - - -

\$2,722 05